

AMENDED IN SENATE MARCH 10, 2009

SENATE BILL

No. 93

Introduced by Senator Kehoe

January 22, 2009

An act to amend Section 33445 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

SB 93, as amended, Kehoe. Redevelopment: payment for land or buildings.

The Community Redevelopment Law requires a redevelopment agency to make specified findings if the agency pays all or a part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned either within or without the project area. These determinations by the agency and the local legislative body are final and conclusive. An agency is authorized to enter into a contract with the community or other public corporation when the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement, or both, has been, or will be, paid or provided for initially by the community or other public corporation, and the agency agrees to reimburse, the community or other public corporation. An agency may contract with the community when the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community.

This bill would require a redevelopment agency to make specified findings, based on substantial evidence in the record, if the agency pays all or a part of the value of the land for, and the cost of the installation and construction of, any building, facility, structure, or other improvement that is publicly owned either within or without the project area. These findings would not be final and conclusive. An agency would no longer be authorized to enter into a contract with a public corporation other than the community for the value of the land or the cost of the installation and construction of the building, facility, structure, or other improvement, or both. The bill would provide that an agency may contract with the community prior to January 1, 2009 2010, when the land has been or will be acquired by, or the cost of the installation and construction of the building, facility, structure, or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement that has been or will be leased to the community.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 33445 of the Health and Safety Code is
- 2 amended to read:
- 3 33445. (a) Notwithstanding Section 33440, an agency may,
- 4 with the consent of the legislative body, pay all or a part of the
- 5 value of the land for and the cost of the installation and construction
- 6 of any building, facility, structure, or other improvement that is
- 7 publicly owned either within or without the project area, if the
- 8 legislative body finds, based on substantial evidence in the record,
- 9 all of the following:
- 10 (1) Significant blight remains within the project area.
- 11 (2) The blight cannot be eliminated without the acquisition of
- 12 the land or the installation and construction of the building, facility,
- 13 structure, or other improvement that is publicly owned.
- 14 (3) That no other reasonable means of financing the buildings,
- 15 facilities, structures, or other improvements, are available to the
- 16 community, including, but not limited to, general obligation bonds,
- 17 revenue bonds, special assessment bonds, and bonds issued
- 18 pursuant to the Mello-Roos Community Facilities Act of 1982

1 (Chapter 2.5 (commencing with Section 53311) of Part 1 of
2 Division 2 of Title 5 of the Government Code).

3 (4) That the payment of funds for the acquisition of land or the
4 cost of buildings, facilities, structures, or other improvements that
5 are publicly owned is consistent with the implementation plan
6 adopted pursuant to Section 33490.

7 (b) The acquisition of land and the installation or construction
8 of each building, facility, structure, or improvement that is publicly
9 owned shall be provided for in the redevelopment plan.

10 (c) An agency shall not pay for the normal maintenance or
11 operations of buildings, facilities, structures, or other improvements
12 that are publicly owned. Normal maintenance or operations do not
13 include the construction, expansion, addition to, or reconstruction
14 of, buildings, facilities, structures, or other improvements that are
15 publicly owned otherwise undertaken pursuant to this section.

16 (d) (1) When the value of the land or the cost of the installation
17 and construction of the building, facility, structure, or other
18 improvement, or both, has been, or will be, paid or provided for
19 initially by the community, the agency may enter into a contract
20 with the community to reimburse the community for all or part of
21 the value of the land or all or part of the cost of the building,
22 facility, structure, or other improvement, or both, by periodic
23 payments over a period of years.

24 (2) The obligation of the agency under the contract shall
25 constitute an indebtedness of the agency for the purpose of carrying
26 out the redevelopment project for the project area, and the
27 indebtedness may be made payable out of taxes levied in the project
28 area and allocated to the agency under subdivision (b) of Section
29 33670 or out of any other available funds.

30 (e) Prior to January 1, ~~2009~~ 2010, in a case where the land has
31 been or will be acquired by, or the cost of the installation and
32 construction of the building, facility, structure, or other
33 improvement has been paid by, a parking authority, joint powers
34 entity, or other public corporation to provide a building, facility,
35 structure, or other improvement that has been or will be leased to
36 the community, the contract may be made with, and the
37 reimbursement may be made payable to, the community.

38 (f) With respect to the financing, acquisition, or construction
39 of a transportation, collection, and distribution system and related
40 peripheral parking facilities, in a county with a population of

1 4,000,000 persons or more, the agency shall, in order to exercise
2 the powers granted by this section, enter into an agreement with
3 the rapid transit district that includes the county, or a portion
4 thereof, in which agreement the rapid transit district shall be given
5 all of the following responsibilities:

6 (1) To participate with the other parties to the agreement to
7 design, determine the location and extent of the necessary
8 rights-of-way for, and construct, the transportation, collection, and
9 distribution systems and related peripheral parking structures and
10 facilities.

11 (2) To operate and maintain the transportation, collection, and
12 distribution systems and related peripheral parking structures and
13 facilities in accordance with the rapid transit district's outstanding
14 agreements and the agreement required by this paragraph.

15 (g) (1) Notwithstanding any other authority granted in this
16 section, an agency shall not pay for, either directly or indirectly,
17 with tax increment funds the construction, including land
18 acquisition, related site clearance, and design costs, or rehabilitation
19 of a building that is, or that will be used as, a city hall or county
20 administration building.

21 (2) This subdivision shall not preclude an agency from making
22 payments to construct, rehabilitate, or replace a city hall if an
23 agency does any of the following:

24 (A) Allocates tax increment funds for this purpose during the
25 1988–89 fiscal year and each fiscal year thereafter in order to
26 comply with federal and state seismic safety and accessibility
27 standards.

28 (B) Uses tax increment funds for the purpose of rehabilitating
29 or replacing a city hall that was seriously damaged during an
30 earthquake that was declared by the President of the United States
31 to be a natural disaster.

32 (C) Uses the proceeds of bonds, notes, certificates of
33 participation, or other indebtedness that was issued prior to January
34 1, 1994, for the purpose of constructing or rehabilitating a city
35 hall, as evidenced by documents approved at the time of the
36 issuance of the indebtedness.